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14
15 **UNITED STATES DISTRICT COURT**
16 **NORTHERN DISTRICT OF CALIFORNIA**

17 **OAKLAND DIVISION**

18 KEYSIGHT TECHNOLOGIES, INC., f/d/b/a
19 AGILENT TECHNOLOGIES, INC.,

20 Plaintiff,

21 vs.

22 MENTOR GRAPHICS CORPORATION,

23 Defendants.

24 Case No.

25 **COMPLAINT FOR BREACH OF
26 CONTRACT AND SPECIFIC
27 PERFORMANCE**

28 **JURY TRIAL DEMAND**

1
2 Plaintiff Keysight Technologies, Inc. f/d/b/a Agilent Technologies, Inc. (“Keysight” or
3 “Plaintiff”), by and through its undersigned counsel, for their Complaint against Defendants
4 Mentor Graphics Corporation (“Mentor” or “Defendant”), alleges as follows:

5 **INTRODUCTION**

6 1. On or about June 9, 2003, Agilent Technologies, Inc. (“Agilent”) and Tiburon
7 Design Automation, Inc. (“Tiburon”) entered into a binding Software License and Distribution
8 Agreement, effective as of that date, and as amended over the years since then (“the Agreement”).
9 Exhibit 1. As more fully set forth below, pursuant to its terms and conditions, and supported by
10 good and adequate consideration, the Agreement grants Keysight a license to certain Software, as
11 that term is defined in the Agreement.

12 2. Plaintiff Keysight was formed out of Agilent’s Electronic Measurement Group in or
13 about 2014, and became a new company initially owned by the stockholders of Agilent and later a
14 company independent of Agilent. Keysight succeeded to all rights and obligations of Agilent with
15 respect to the Agreement, as acknowledged by Tiburon on or about April 29, 2014.

16 3. According to its website (www.tiburon-da.com), which automatically redirects to
17 www.mentor.com/products/fv/tiburon/), Tiburon became part of Defendant Mentor in 2015.
18 Among other things, Tiburon provides Verilog-A and Verilog-AMS simulation components for
19 SPICE simulators, a type of general purpose electronic circuit simulator. SPICE is an acronym for
20 Simulation Program with Integrated Circuit Emphasis, and is a program used in integrated circuit
21 and board-level design to check design integrity and predict circuit behavior. Upon information
22 and belief, Mentor has succeeded to all rights and obligations of Tiburon, including those under
23 the Agreement. In or about March 2017, Mentor was acquired by, and now is a subsidiary of
24 Siemens Industry, Inc. (“Siemens”).

25 4. As more fully set forth below, Mentor is in breach of one or more of its obligations
26 to Keysight under the Agreement. In particular, Mentor was and is obligated to provide certain
27 maintenance support for the Software, including but not limited to providing corrections for
28 Software defects and providing Software enhancements and updates with respect to at least two

1 Keysight products: GoldenGate RFIC Simulation Software (“GoldenGate”) and Advanced Design
2 System (“ADS”). Generally speaking, both GoldenGate and ADS are used to analyze and
3 simulate the designs of integrated circuits for communications devices. In breach of its
4 obligations, Mentor failed to provide the required maintenance support. Keysight has provided
5 multiple notices of these failures to Mentor, which is in receipt of them, but despite Keysight’s
6 repeated requests for maintenance support under the Agreement, certain defects and problems
7 have gone uncured for more than thirty (30) days, and in several instances, for more than a year.
8 Mentor has expressly acknowledged that at least seven (7) of the reported, uncured defects and
9 problems with the Software are covered under Mentor’s maintenance and support obligations
10 under the Agreement.

11 5. In particular, at least eight (8) of the defects and problems in Mentor’s Software are,
12 and have been identified to Mentor as, “critical” or with high priority, including problems with the
13 Mentor Software causing system failures or “crashes” in Keysight products. In numerous
14 instances, Keysight reported to Mentor that Mentor’s Software crashes or causes the Keysight
15 products to halt the simulation or analysis of circuit designs – a key function of Keysight’s
16 products. Critically as to ADS, the Mentor Software causes a DC convergence error, which
17 prevents Keysight’s customers from performing DC simulations that are fundamental to the
18 simulation process and a key reason customers buy ADS in the first place. These are just a few
19 examples; there are many more examples of Mentor’s failures to provide maintenance support
20 under the Agreement that have gone uncured for more than 30 days, including Mentor’s failure to
21 provide operating system compatibility, Mentor’s failure to support multi-technology simulations,
22 and Mentor’s failure to update the Software to match up with new compilers, all of which are
23 critical to the proper functioning of Keysight’s products incorporating the Mentor Software.

24 6. As more fully set forth below, at least by letter dated July 19, 2017 (“Notice”), and
25 as supplemented by a further letter dated August 8, 2017 (“Supplement”), Keysight provided
26 Mentor written notice pursuant to subsection 15.9 of its failure to provide the required
27 maintenance support pursuant to subsection 2.1 of the Agreement, including Mentor’s failure to

cure the Software defects. In particular, Keysight provided written notice of “Mentor’s failure to provide the required maintenance support set forth in Exhibit B-1 to the Agreement,” by the means listed in subsection 15.9, and to persons and addresses including those listed in subsection 15.9, and to a person designated by Mentor to receive notices under the Agreement. Exhibit 2. Mentor did not object to this notice based on any lack of formalities or lack of compliance with subsection 15.9 of the Agreement, but merely expressed its disagreement that the Notice “provides proper notice and opportunity to cure any alleged failure by Mentor [] to provide maintenance support.” At the time of its receipt of such notice and through prior written notice, Mentor was fully aware of the provisions of the Agreement as amended, and the ramifications of Mentor’s failures to cure them, including Keysight’s right to exercise the fully-paid up license to the Software granted to Keysight under subsection 2.1 as amended by Amendment No. 6. As a result, and as more fully set forth below, Keysight fully complied with the notice requirements of the Agreement, or alternatively, Mentor had waived its right to receive formal notice pursuant to the notice requirements of subsection 15.9.

7. Consequently, Keysight has performed all acts required of it under the Agreement, and as more fully set forth below, Mentor is in breach of the Agreement, and Keysight is entitled to remedies for Mentor's breach. Such remedies include, but are not limited to, specific performance of certain obligations by Mentor, including Mentor's obligation to provide Keysight with the Software source code on a fully-paid up licensed basis.

PARTIES

8. Plaintiff Keysight is a Delaware corporation having its principal place of business in Santa Rosa, California, and a party to the Agreement.

9. Upon information and belief, Defendant Mentor Graphics Corporation is an Oregon corporation having its principal place of business in Oregon, and having operations and places of business at several locations in California, including but not limited to, El Segundo, Irvine, San Diego, Fremont, and Santa Rosa.

1 10. Upon information and belief, Mentor acquired Tiburon in or about October 2015.
 2 Tiburon was at the time a Delaware corporation with its principal place of business within
 3 Sonoma County in Santa Rosa, California. Upon information and belief, Tiburon is now part of
 4 Mentor and has no separate corporate existence. As noted above, upon information and belief,
 5 Mentor has succeeded to all rights and obligations of Tiburon, including those under the
 6 Agreement.

7 11. Upon information and belief, Mentor maintains a separate corporate existence,
 8 despite becoming a subsidiary of Siemens Industry, Inc. in a publicly announced transaction that
 9 closed in or about March 2017.

10 **JURISDICTION AND VENUE**

11 12. Plaintiff's claim for breach of contract and specific performance is based on the
 12 written Agreement between the parties.

13 13. The Court has subject matter jurisdiction of this action under 28 U.S.C. § 1332(a)(1)
 14 (diversity) because Plaintiff Keysight and Defendant Mentor are citizens of different States and
 15 the matter in controversy exceeds the sum of \$75,000, exclusive of interest and costs.

16 14. Keysight is inter alia entitled to the fully-paid up license to the Software source code
 17 granted to Keysight under subsection 2.1 of the Agreement as amended. In light of subsection 4.1
 18 of the Agreement as amended by Amendment No. 6 (Exhibit 3), the value of this license, and
 19 hence, the amount in controversy, is greater than \$75,000, whether cumulatively or independently.

20 15. This Court has general personal jurisdiction over Mentor because Mentor has
 21 continuous and systematic business contacts with California as demonstrated by the presence of its
 22 operations and offices in numerous cities within California, the operation of its Tiburon business
 23 unit, and the fact that Mentor has a designated agent for service of process in the State of
 24 California. Mentor has established minimum contacts with this forum such that the exercise of
 25 jurisdiction over Mentor would not offend traditional notions of fair play and substantial justice.

26 16. This Court also has specific personal jurisdiction over Mentor in this case because
 27 this case arises out of the interpretation and performance of the Agreement, which was executed,

performed, and/or to be performed, in Sonoma County, California, and because of Mentor's breaches of the same, causing harm in California, as more fully set forth below.

17. Venue is proper in Sonoma County and this district under 28 U.S.C. § 1391(b)(2), as a substantial part of the events giving rise to Keysight's claim occurred in Sonoma County, California, which is within this judicial district. Further, the Agreement was entered into, performed, and/or to be performed, in Sonoma County. This action furthermore arises out of certain conduct and/or omissions of Mentor that occurred in Sonoma County and elsewhere.

FACTUAL ALLEGATIONS

The Software License and Distribution Agreement

18. As alleged above, Keysight and Mentor are now parties to the Agreement, with certain rights and obligations to each other.

19. Under Section 2 of the Agreement, "LICENSE GRANT," Keysight has a license to the Software, as defined. Exhibit 1.

20. Subsection 1.1 of the Agreement provides that “Software” means “the object code of Tiburon’s Verilog-A compiler, the associated run-time-environment and Verilog-A from model example libraries provided by Tiburon to Agilent under this Agreement, including all Enhancements thereto.” Exhibit 1.

21. Section 6 of the Agreement provides, in pertinent part, that Tiburon [Mentor] will provide to Agilent [Keysight] “ongoing maintenance and support for the Software” as set forth in Exhibit B of the Agreement. Exhibit 1. Exhibit B of the Agreement in turn provides, among other things, that Tiburon [Mentor] will provide maintenance and support for the Software, including appropriate corrective action on any defect report it receives,” providing Agilent [Keysight] “with the necessary data or software to allow Agilent [Keysight] to distribute a correction to End Users” (Section A) and “[p]roviding normal evolutionary enhancements and updates, including instructions for implementation.” *Id.*

1 22. Subsection 15.3 of the Agreement provides that “[t]he Agreement will be governed
 2 and construed in accordance with the laws of the State of California without regard to the choice
 3 of law provisions thereof.” Exhibit 1.

4 23. Subsection 15.9 of the Agreement provides that:

5 [n]otices, invoices, payment or other correspondence required or permitted
 6 to be given under this Agreement will be in writing and will be deemed to
 7 have given if served personally, or if sent by overnight carrier, postage
 prepaid, or by facsimile, addressed to the addresses set forth below or such
 other addresses as the parties may designate by notice to the other.

8 Exhibit 1.

9 24. Subsection 15.9 lists Marek Mierzynski, 4549 Offner Lane, Santa Rosa, CA
 10 95409, as where and to whom notices to Mentor are to be addressed, and Brian Buchanan, 1400
 11 Fountaingrove Parkway, Santa Rosa, CA 95403, as where and to whom notices to Keysight are to
 12 be addressed under the Agreement. Exhibit 1.

13 25. At the time the Agreement was executed, Marek Mierzynski was President & CEO
 14 of Tiburon. Exhibit 1. The address listed in subsection 15.9 of the Agreement, 4549 Offner Lane,
 15 Santa Rosa, CA, was Mr. Mierzynski’s private residence. In 2008, Mr. Mierzynski sold and
 16 moved out from this residence. Upon information and belief, in the time since Mr. Mierzynski
 17 moved out of 4549 Offner Lane, Santa Rosa, CA, no individual or entity affiliated with
 18 Tiburon/Mentor has ever resided at this address.

19 26. Mr. Mierzynski later left Tiburon in 2012 and consulted with Agilent. He became
 20 an employee of Keysight in May 2015 where he is presently an R&D Engineer.

21 27. As of the date of this Complaint, Keysight has received no notice in compliance
 22 with subsection 15.9 of the Agreement of any change of address or change of designated recipient
 23 for notices to be given under subsection 15.9 of the Agreement. At some point in time at least
 24 before or during 2009, however, Tiburon submitted a Change Request Form requesting that
 25 Agilent substitute the address of 613 4th Street, Suite 208A, Santa Rosa, California, for the Offner
 26 Lane address. The Change Request Form was Agilent’s own form then used by its suppliers to
 27 notify Agilent of any change in address and payment information. Thereafter, Agilent, and later,

1 Keysight, began sending notices, payments and other correspondence to Tiburon at the 613 4th
 2 Street address. After Tiburon's acquisition by Mentor, Keysight began sending such notices,
 3 payments and other correspondence to other addresses and by other means as directed by Mentor,
 4 including by email to persons other than those listed in subsection 15.9, and Mentor has accepted
 5 same.

6 **Amendments and Extensions to the Agreement**

7 28. After executing the Agreement in June 2003, Tiburon and Agilent have since agreed
 8 on a series of amendments and extensions to the Agreement, including without limitation an
 9 extension dated October 27, 2016. Exhibit 4. By and through the parties' amendments and
 10 extensions, the term of the Agreement currently extends through and including October 31, 2017.

11 29. On or about November 5, 2009, Agilent [Keysight] and Tiburon [Mentor] entered
 12 into Amendment No. 6, which among other things, provides:

13 b) In section 2 LICENSE GRANT the following is added to the end of
 14 subsection 2.1: "Subject to the terms and conditions of this Agreement,
 15 Tiburon [Mentor] further grants to Agilent [Keysight] a fully-paid up,
 16 worldwide, perpetual license to use, copy and modify the Software source
 17 code, and to distribute object code versions of the Software or modifications
 18 to the Software by Agilent [Keysight] ... which may only be exercised by
 19 Agilent [Keysight] upon Tiburon [Mentor], or any successor company:
 either (1) ceasing to do business in the normal course, or (2) ***failing to***
provide the required maintenance support set forth in Exhibit B-1 to this
 Agreement, ***which failure is not cured within thirty (30) days after receipt***
of notice thereof from Agilent [Keysight].

20 Exhibit 3 (emphasis added).

21 30. Exhibit B-1 of Amendment No. 6 in turn provides, among other things, that with
 22 respect to the Software, Tiburon [Mentor] will take "appropriate corrective action on any defect
 23 report it receives," as well as provide "normal evolutionary enhancements and updates." Exhibit 3.

24 **Mentor's Failure to Provide the Required Maintenance Support**

25 31. As alleged above, Mentor was and is obligated to provide certain maintenance
 26 support for the Software, including but not limited to providing corrections for Software defects
 27 and providing Software enhancements and updates. In breach of these obligations, Mentor failed
 28

1 to provide the required maintenance support. Keysight has provided multiple written notices of
 2 these failures to Mentor, which is in receipt of them, but despite Keysight's repeated requests for
 3 maintenance support, Mentor's failures to provide maintenance support have gone uncured for
 4 more than thirty (30) days, and in several instances, for more than a year.

5 32. For instance, on September 16, 2015, Keysight notified Mentor in writing of twenty-
 6 two (22) Software defects identified by Keysight ("the September 16, 2015 List"). Exhibit 5.
 7 These defects include, for example, errors relating to DC currents or DC convergence; numerous
 8 system failures or crashes that occurred while the Keysight products were running simulations or
 9 when tuning the Software parameters; the Software's failure to support multi-technology
 10 simulations; and the Software's failure to provide operating system compatibility. *Id.* This
 11 written notice was provided to Mentor via Ravi Subramanian (Vice President & General Manager)
 12 and Patrick O'Halloran (Principal Architect), and specifically requested that "a quick response"
 13 from Mentor was needed. *Id.*

14 33. On October 11, 2015, Mentor provided its analysis of the defects referenced in the
 15 September 16, 2015 List, and proposed a schedule for resolving those defects. Exhibit 6. Mentor
 16 also confirmed that it expected to complete at least some of the defects that were prioritized and
 17 deemed to be urgent during the week of December 7, 2015. *Id.* On or about December 2, 2015,
 18 Keysight sent Mentor a follow-up email to check Mentor's progress on correcting the defects
 19 identified in the September 16, 2015 List. *Id.* On December 4, 2015, Keysight again followed up
 20 with Mentor to confirm that Mentor would start fixing the defects on December 7, 2015 as
 21 Keysight's product "release is critically relying on fixing these issues." *Id.* These email notices
 22 were sent to Ravi Subramanian and Patrick O'Halloran at Mentor. *Id.* Mentor did not correct the
 23 defects about which it had received notice, but acknowledged its obligations to do so under
 24 Amendment No. 6, *inter alia*, via an email dated June 13, 2016 (Exhibit 8), authored by
 25 Mr. Subramanian, Mentor's Vice President and General Manager, and as more fully set forth
 26 below, a person identified and directed by Mentor as to whom such notices should be addressed.
 27
 28

1 34. On May 27, 2016, Keysight notified Mentor that at least some of the defects in the
 2 September 16, 2015 List remained uncured. Exhibit 7. Keysight requested in writing yet again
 3 that Mentor start work on correcting these defects that Mentor stated back in January 2017 it
 4 would be available to work on in April 2017. *Id.* On this occasion, Keysight attached a list of
 5 eight (8) identified defects to its notice, including two new defects relating to a compiler upgrade
 6 and a DC non-convergence error (“the May 27, 2016 List”). *Id.* Except for the two newly added
 7 defects, all of the remaining defects previously included in the September 16, 2015 List continued
 8 to remain uncorrected. *Id.* Keysight emphasized the importance of the compiler problem, which
 9 required Mentor to correct, enhance or upgrade Tiburon Verilog-A libraries so the libraries match
 10 with Keysight’s compilers. *Id.* This written notice was sent by email to Ravi Subramanian at
 11 Mentor. *Id.*

12 35. On June 13, 2016, after reviewing the defects in the May 2016 List, Mentor’s Vice
 13 President and General Manager, Ravi Subramanian, responded that Mentor would work on at least
 14 seven (7) defects in compliance with its maintenance support obligations under the Agreement.
 15 Exhibit 8. In particular, Mentor admitted that the Software’s failure to provide operating system
 16 compatibility is a “bug/defect” and that six (6) other problems are “support and maintenance
 17 issues,” all of which are covered under Mentor’s maintenance support obligations under the
 18 Agreement. *Id.* Additionally, Mentor specifically promised that “Mentor will perform the work
 19 necessary to provide this support,” and that “[o]ur technical team will address the issues.” *Id.*

20 36. However, despite Keysight’s repeated follow-up emails, Mentor failed to provide
 21 any update on its work associated with correcting the defects, and failed to correct most of the
 22 defects identified in the September 16, 2015 List and the May 27, 2016 List.

23 37. Since January 2016, high level management teams for both parties have been in
 24 discussions over the uncured Software defects about which Mentor had received notice, including
 25 discussions regarding Amendment No. 6, by which Keysight has been granted, *inter alia*, a fully
 26 paid-up license as provided therein. Such discussions included the parties’ high level management
 27 teams such as Todd Cutler, Keysight’s Vice President and General Manager; Joseph Reinhart,
 28

1 Mentor's Vice President of Corporate Development and Investor Relations; Ravi Subramanian,
 2 Mentor's Vice President and General Manager; as well as the parties' legal teams including Jake
 3 Book, Mentor's in-house Corporate Attorney. During these discussions, the parties discussed,
 4 among other things, the Software defects, Mentor's failure to provide the required maintenance
 5 support, and Keysight's right to receive a fully-paid up license of the Software in accordance with
 6 the Agreement, in light of Mentor's failure to cure the defects within the time provided by the
 7 Agreement. Further, during these discussions Keysight repeatedly emphasized that its primary
 8 interest is to have Mentor cure the defects pursuant to its maintenance support obligations since
 9 Keysight cannot meet customer obligations without curing the defects in a timely manner. But
 10 Mentor refused and failed to cure the defects.

11 38. Unable to obtain Mentor's compliance with its maintenance support obligations
 12 under the Agreement, and even though this was Mentor's obligation, Keysight fixed eight (8) of
 13 the defects that Keysight was able to fix without reviewing and/or modifying the Software source
 14 code. Additionally, Keysight was able to fix two (2) more defects with help from Mentor.
 15 Keysight could not, however, fix those defects that were Software source code-dependent. The
 16 other defects identified in the September 16, 2015 List and the May 27, 2016 List remained
 17 uncured for more than a year. In response to its receipt of the July 19, 2017 Notice, Mentor
 18 attempted to fix some of the uncured defects. Even after Mentor received the July 19, 2017
 19 Notice and did so, however, eight (8) defects identified in the September 16, 2015 List and the
 20 May 27, 2016 List, which are Mentor's obligation to correct, and require review and/or
 21 modification of the Software source code for correction, remain uncured as of the date of this
 22 Complaint. The remaining defects were the subject of the July 19, 2017 Notice letter and
 23 specifically identified further in the August 8, 2017 Supplement.

24 39. As of the date of this Complaint, at least four (4) defects that Mentor specifically
 25 promised it would cure in compliance with its maintenance support obligation under the
 26 Agreement, as to which Mentor had received notice and had been identified to Mentor in the
 27 May 27, 2016 List, and identified again in the August 8, 2017 Supplement, remain uncured.

1 Mentor has failed to take appropriate corrective action and/or has failed to provide enhancements
 2 and updates that remedy the defects as to which Keysight has provided Mentor with notice.
 3 Mentor's failures remain uncured, including those remaining on the September 16, 2015 List, the
 4 May 27, 2016 List, the July 19, 2017 Notice letter and August 8, 2017 Supplement (the
 5 "Defects"). As of the date of this Complaint, such failures by Mentor to provide maintenance
 6 support with respect to the Defects remain uncured for more than thirty (30) days since Keysight
 7 provided written notice to Mentor of these failures at least pursuant to the July 19, 2017 Notice
 8 letter and August 8, 2017 Supplement, and Mentor is thus in breach of its obligation to provide
 9 maintenance support, at least under Section 2 of the Agreement, as amended.

10 40. Mentor's breach has and continues to cause Keysight damages and irreparable harm.
 11 Among other things, because Keysight is presently only in possession of the Software in object
 12 code form, it is unable to remedy the remaining uncured Defects through its own efforts. Such
 13 inability to remedy the Defects is causing Keysight irreparable harm because, among other things,
 14 Keysight is unable to fix the Defects for its end-user customers, thus suffering harm to Keysight's
 15 reputation and market share. For instance, at least one Keysight customer had escalated the DC
 16 convergence and multi-technology simulation issues because these problems prevented them from
 17 performing DC simulations. The customer also refused to explore other business opportunities
 18 relating to ADS with Keysight because of such failures and resorted to software tools offered by
 19 Keysight's competitors, instead of continuing to use Keysight's. Mentor's failure to cure the
 20 defects about which it had received notice, and its failure and refusal to provide Keysight with the
 21 Software source code, has caused, and is continuing to cause, damage and harm to Keysight's
 22 business with its existing and potential customer base.

23 **Notice of Mentor's Failure to Provide the Required Maintenance Support**

24 41. As alleged herein, Keysight has complied with the notice requirements of
 25 subsections 2.1 and 15.9 of the Agreement. At least by means of the July 19, 2017 Notice letter,
 26 delivered and attempted to be delivered in accordance with the methods set forth in
 27 subsection 15.9 of the Agreement, Keysight provided written notice of Mentor's failure to provide

1 the required maintenance support under the Agreement. Exhibit 2. The July 19, 2017 Notice
 2 expressly states that “pursuant to subsections 2.1 and 15.9 of the Agreement, this letter will
 3 provide written notice of Mentor’s failure to provide the required maintenance support set forth in
 4 Exhibit B-1 to the Agreement.” *Id.* The notice further states that “under subsection 2.1 as
 5 amended, Mentor’s failure to timely cure results in Keysight being granted a fully-paid up, ...
 6 license to use, copy and modify the Software source code, ... as set forth in the Agreement (as
 7 amended).” *Id.* Copies of the Agreement and Amendment No. 6 were also provided with the
 8 notice letter. *Id.*

9 42. The July 19, 2017 Notice was sent to, among others, (1) Tiburon Design
 10 Automation, Inc., 4549 Offner Lane, Santa Rosa, CA 95409, Attn: Marek Mierzwinski;
 11 (2) Tiburon Design Automation, Inc., 613 4th Street, Suite 208A, Santa Rosa, CA 95404, Attn:
 12 Marek Mierzwinski (or Tiburon’s designated successor); and (3) Mentor Graphics Corporation,
 13 8005 S.W. Boeckman Road, Wilsonville, Oregon 97070-7777, Attn: Jake Book, via overnight
 14 carrier, facsimile, and personal service. Exhibit 2. Copies of the July 19, 2017 Notice letter and
 15 enclosures were also sent to Ravi Subramanian, Patrick O’Halloran, Don Fanelle (Director of
 16 Global Accounts), and Mentor’s outside counsel. *Id.*

17 43. With respect to the Offner Lane address, as provided by subsection 15.9 of the
 18 Agreement, Keysight attempted to personally serve the July 19, 2017 Notice letter to that address
 19 (attn: Marek Mierzwinski) six (6) times between July 23, 2017 to July 30, 2017. But in all
 20 instances, no person was found at this address and there were no responses. The residence
 21 associated with this address appeared to be unoccupied and no vehicles were found in the
 22 driveway.

23 44. With respect to the 613 4th Street address, as provided by subsection 15.9 of the
 24 Agreement, Keysight attempted to personally serve the July 19, 2017 Notice letter to that address
 25 (attn: Marek Mierzwinski or Tiburon’s designated successor) five (5) times between July 20, 2017
 26 and August 4, 2017. But in all instances, no person was found at this address and there were no
 27 responses. At the time of attempted service, the office associated with this address appeared to be

1 unoccupied. On information and belief, at least as of the times such personal service was
 2 attempted, this address is not used or occupied on a regular basis.

3 45. With respect to the Oregon address (attn: Jake Book), as provided by
 4 subsection 15.9 of the Agreement, Keysight personally served the July 19, 2017 Notice letter to
 5 that address by delivering copies of the July 19, 2017 Notice and enclosures to Jake Book or the
 6 person authorized to receive process on behalf of Mentor, on July 20, 2017 at 2:00 PM. Exhibit 9.

7 46. On July 28, 2017, in its response to the July 19, 2017 Notice, Mentor stated that it
 8 disagrees with Keysight's "apparent assertion that Mentor [] has not met its maintenance support
 9 obligations" or that the July 19, 2017 Notice "provides proper notice and opportunity to cure any
 10 alleged failure by Mentor [] to provide maintenance support." Exhibit 10. Despite its receipt of
 11 the numerous prior notices, as alleged above, Mentor also requested that Keysight provide a list of
 12 defects or bugs that currently exist and asked that Keysight inform Mentor which defects or bugs
 13 Keysight contends are covered by Mentor's maintenance support obligations under the
 14 Agreement. *Id.*

15 47. On August 8, 2017, as requested, Keysight responded in writing by overnight
 16 carrier, postage prepaid, to Mentor's July 28 letter, stating that "the only notice required under the
 17 Agreement is of Mentor's failure to provide the required maintenance support set forth in Exhibit
 18 B-1 to the Agreement" and that such requirement was met by the July 19, 2017 Notice.
 19 Exhibit 11. Nonetheless, Keysight also provided a list of the Software defects to Mentor again,
 20 although Mentor had previously been provided with specific information as to what defects or
 21 bugs exist and what maintenance support obligations it failed to provide through at least the
 22 September 16, 2015 List and the May 27, 2016 List. *Id.*

23 48. Keysight has complied with subsections 2.1 and 15.9 of the Agreement at least by
 24 sending written notice of Mentor's failure to provide the required maintenance support set forth in
 25 Exhibit B-1 to the Agreement to the person (Marek Mierzwinski) and address (the Offner Lane
 26 address) via the means (via overnight carrier, facsimile, or personal service) listed in subsection
 27 15.9 of the Agreement. Alternatively, Keysight has complied with subsections 2.1 and 15.9 at

1 least by sending written notice of Mentor's failure to provide the required maintenance support set
 2 forth in Exhibit B-1 to the Agreement to Jake Book, a person designated by Mentor to receive
 3 notices under the Agreement, and by means (at least via personal service) listed in subsection
 4 15.9.

5 49. Despite notifying Mentor of its failure to provide the required maintenance support
 6 set forth in Exhibit B-1 to the Agreement, and providing, to the extent required, Mentor with the
 7 opportunity to cure such failures, more than thirty (30) days have elapsed since at least the
 8 delivery and attempted deliveries of the July 19, 2017 Notice letter and the August 8, 2017
 9 Supplement, and Mentor has still failed to provide the required maintenance support set forth in
 10 Exhibit B-1 to the Agreement, including at least fourteen (14) of the specifically identified defects.
 11 To the extent that subsection 2.1 may be read as requiring "notice and opportunity to cure," such
 12 requirement has been met through at least the July 19, 2017 Notice letter and August 8, 2017
 13 Supplement.

14 50. Keysight has performed all acts required of it under the Agreement, including
 15 without limitation, the acts required by subsections 2.1 and 15.9. In breach of the Agreement,
 16 Mentor has, inter alia, failed to provide the required maintenance support set forth in Exhibit B-1
 17 to the Agreement.

18 51. Subsection 2.1 of the Agreement, as amended, provides: "Tiburon [Mentor] further
 19 grants to Agilent [Keysight] a fully-paid up, worldwide, perpetual license to use, copy and modify
 20 the Software source code, and to distribute object code versions of the Software or modifications
 21 to the Software by Agilent [Keysight] ... upon Tiburon [Mentor], or any successor company ...
 22 failing to provide the required maintenance support set forth in Exhibit B-1 to this Agreement,
 23 which failure is not cured within thirty (30) days after receipt of notice thereof from Agilent
 24 [Keysight]." Exhibit 3. In further breach of the Agreement, Mentor has failed to provide to
 25 Keysight the fully paid-up license granted to Keysight under subsection 2.1, and furthermore has
 26 failed to provide to Keysight the Software source code that would enable Keysight to fix the
 27 identified Software defects.

Mentor's Waiver of Notice Under Subsection 15.9

52. As alleged above, Keysight has complied with the notice requirements of the Agreement and, to the extent required, complied with any notice and opportunity to cure requirements of the Agreement. Alternatively, as set forth below, the notice requirements of subsection 15.9 have been waived by Mentor through its course of conduct and/or Mentor has intentionally relinquished its right to require compliance with the notice requirements of subsection 15.9, or has otherwise acted in a manner inconsistent with an intent to enforce that right so as to induce a reasonable belief that such right has been relinquished. Mentor's conduct, e.g. in directing, sending, and in accepting and acting upon, things required or permitted to be given under the Agreement, not by personal service, overnight carrier or by facsimile to or from any of the addressees listed in subsection 15.9, has been inconsistent with any intent to enforce any right to receive notice in compliance with the notice requirements of that subsection.

53. The parties have engaged in a pattern and practice of sending written notices, payments and other written correspondence required or permitted by the Agreement by means, and to addresses and persons other than as identified in subsection 15.9. In particular, although it did not do so by means specified in subsection 15.9, Mentor, by at least December 2015, directed Keysight to send notices under the Agreement to Ravi Subramanian and Jake Book, persons not identified in subsection 15.9.

54. Since at least some time in 2003, and for all times relevant to this dispute, it has been impractical or impossible to provide notices, invoices, payments or other correspondence to the address and addressee listed in subsection 15.9, to wit: to Tiburon at 4549 Offner Lane, Santa Rosa, California 94509, Attn: Marek Mierzynski. As alleged above, this is because, *inter alia*, Mr. Mierzynski had moved out of that address and has since become an employee of Keysight. Also as alleged above, Mentor did not provide notice to Keysight in accordance with subsection 15.9 of any change of address or addressee. As to facsimile notice, there is no facsimile number given in the Agreement and at no time did Mentor provide same in accordance with subsection 15.9. Rather, Mentor and Keysight instead engaged in a pattern and practice of sending, and of

1 receiving, acknowledging and acting upon, notices, invoices, payments and other correspondence
 2 required or permitted to be given under the Agreement via email and other correspondence, and by
 3 means, and as to addresses and addressees other than as identified in subsection 15.9.

4 55. For example, Tiburon provided an undated change of address from 4549 Offner
 5 Lane, Santa Rosa, California, to 613 4th Street, Suite 208A, Santa Rosa, California, prior to the
 6 date Tiburon was acquired by Mentor, but such update was made through Agilent's electronic
 7 change request form, and not by one of the means (e.g., facsimile, personal service, overnight
 8 carrier) listed in subsection 15.9. After Mentor's acquisition of Tiburon, Mentor has since
 9 corresponded with Keysight under the Agreement via email and correspondence from its
 10 headquarters in Oregon.

11 56. By its conduct, Mentor has waived any right it has to require that any notices,
 12 invoices, payment or other correspondence be given by personal service, overnight carrier
 13 (postage prepaid), or by facsimile addressed to the Offner Lane or 613 4th Street, Suite 208A,
 14 Santa Rosa, California addresses, or to Mr. Mierzynski or other designated addressee.
 15 Specifically, and as more fully alleged herein, such conduct included sending invoices, accepting
 16 payments, and accepting extensions of the term of the Agreement; receiving, acknowledging and
 17 acting upon notice of its failures to provide the required maintenance support under the
 18 Agreement; by failing to provide to Keysight notice in compliance with subsection 15.9 of any
 19 changes of address or addressee under subsection 15.9; and by directing Keysight to send notices
 20 and other correspondence under the Agreement by email to various persons at Mentor, including
 21 Mr. O'Halloran, Mr. Subramanian and Mr. Book.

22 57. For instance, on January 9, 2014, Agilent provided notice to Tiburon that Agilent is
 23 exercising its right to extend the term of the Agreement to October 31, 2014. Exhibit 12. The
 24 notice letter was addressed to Patrick O'Halloran, 613 4th Street, Suite 208A, Santa Rosa, CA
 25 95404. *Id.* Mentor had not designated Patrick O'Halloran under subsection 15.9, but never
 26 objected to the notice letter based on any lack of formalities or lack of compliance with the
 27
 28

1 requirements of subsection 15.9, and instead honored and acknowledged the notice, and extended
 2 the term.

3 58. On April 28, 2014, Agilent provided notice to Tiburon that Keysight is succeeding
 4 to all rights and obligations of Agilent with respect to the Agreement. Exhibit 13. The notice
 5 letter was addressed to Patrick O'Halloran, 613 4th Street, Suite 208A, Santa Rosa, CA 95404.
 6 *Id.* As alleged above, Mentor had not designated Patrick O'Halloran under subsection 15.9, but
 7 Mentor never objected to the notice letter based on any lack of formalities or lack of compliance
 8 with subsection 15.9, and instead honored and acknowledged the notice, and acted upon Agilent's
 9 assignment of its rights and obligations under the Agreement to Keysight.

10 59. On October 29, 2014, Keysight provided notice to Mentor that Keysight is
 11 exercising its right to extend the term of the Agreement to October 31, 2015. Exhibit 14. The
 12 notice letter was also addressed to Patrick O'Halloran, 613 4th Street, Suite 208A, Santa Rosa, CA
 13 95404. *Id.* As alleged above, Mentor had not designated Patrick O'Halloran as an addressee
 14 under subsection 15.9, but Mentor never objected to the letter based on any lack of formalities or
 15 lack of compliance with subsection 15.9, and instead honored and acknowledged the notice, and
 16 extended the term.

17 60. On or about October 26, 2015, Keysight provided notice to Mentor that Keysight is
 18 exercising its right to extend the term of the Agreement to October 31, 2016. Exhibit 15. Initially,
 19 Mentor requested that “[a]ll contract documents need to go to Ravi Subramanian.” Exhibit 16.
 20 This request, which was sent to Keysight by email, gave Keysight what Mentor regarded as
 21 Mr. Subramanian’s “full contact info,” but Mentor included only his office and cell phone
 22 numbers, and his email address, and omitted any street address or facsimile number. *Id.*
 23 Accordingly, Keysight sent the notice letter to Mr. Subramanian via email. *Id.* Upon receiving
 24 the notice of extension via email, Mr. Subramanian directed Keysight (by email) to address the
 25 notice instead to Jake Book, and provided Keysight with Mr. Book’s email address, but gave no
 26 street address or facsimile number. *Id.* Keysight sent, and Mr. Book received, the notice via email
 27 and he confirmed that he is “an appropriate contact for correspondence” regarding the Agreement.

1 *Id.* Mentor's changes to Mr. Subramanian and to Mr. Book were not in accordance with
 2 subsection 15.9, but Keysight acted as directed, and Mentor did not object but rather honored and
 3 acknowledged the notice, and extended the term.

4 61. On or about October 27, 2016, Keysight provided notice to Mentor that Keysight is
 5 exercising its right to extend the term of the Agreement to October 31, 2017. Exhibit 4.
 6 Consistent with Mentor's prior instructions, the notice letter was addressed to Jake Book at 8005
 7 SW Boeckman Road, Wilsonville, OR 97070, and sent to Mr. Book via email. *Id.*; Exhibit 17.
 8 Mentor did not object in any way, and instead Mr. Book confirmed receipt, honored and
 9 acknowledged the notice, and extended the term.

10 62. On or about October 26, 2016, Keysight sent an email to Jake Book at Mentor,
 11 requesting that Mentor provide written consent to allow Keysight to modify the Verilog-A
 12 complier program to fix a software bug in the Verilog-A code pursuant to subsection 2.5 of the
 13 Agreement. Exhibit 18. Mr. Book responded via email that "Mentor has no issue with Keysight
 14 making the limited modification" as described. *Id.*

15 63. Prior to Mentor's acquisition of Tiburon, payments made by Agilent/Keysight to
 16 Tiburon in connection with the Agreement were sent to either the Offner Lane address or the 613
 17 4th Street address. After Mentor's acquisition of Tiburon, Mentor requested that Keysight's
 18 payments in connection with the Agreement be remitted to Mentor's bank account and checks are
 19 to be mailed to P.O. Box 841886, Dallas, TX 75284-1886. Mentor's request was not made under
 20 subsection 15.9 and yet Mentor proceeded to accept all of Keysight's payments made in such
 21 manner.

22 64. As more fully set forth above, at least by letter dated July 19, 2017, on or about
 23 July 20, 2017, Keysight provided written notice of Mentor's failure to provide the required
 24 maintenance support under the Agreement to individuals including Jake Book and Ravi
 25 Subramanian, those who were designated by Mentor to receive notices under the Agreement.
 26 Both Mr. Book and Mr. Subramanian are not listed in subsection 15.9, and Mentor's instruction to
 27 send notices to them via email was not given to Keysight by the means set out in subsection 15.9.

1 Further, the July 19, 2017 Notice and August 8, 2017 Supplement were sent to, among other
 2 places, Mentor's Oregon address, which is also not listed in subsection 15.9. But Mentor did not
 3 object to this notice based on any lack of formalities or lack of compliance with the notice
 4 requirements of subsection 15.9. Rather, as alleged herein, Mentor received and acknowledged its
 5 receipt of such notices and acted upon them. Through at least Jake Book and Ravi Subramanian,
 6 Mentor had actual notice and knowledge of the Software defects, Mentor's failure to provide the
 7 required maintenance support, and Keysight's right to exercise its fully-paid up license to the
 8 Software in accordance with subsection 2.1 due to Mentor's failure to cure the defects within the
 9 time provided by the Agreement.

10 65. At no time during the approximately 14 year relationship between the parties did
 11 Mentor object to these written notices and correspondence and payments based on any lack of
 12 formalities or lack of compliance with the notice requirements of subsection 15.9 of the Agreement,
 13 but rather received, acknowledged, and acted upon them.

14 66. In fact, in light of Mentor's failures above to provide notice of change of address or
 15 addressee in conformance with subsection 15.9, it would have been futile for Keysight (or Mentor)
 16 to have provided notices in literal compliance with subsection 15.9.

17 67. As alleged herein, Mentor, through at least Vice President and General Manager
 18 Ravi Subramanian and corporate attorney Jake Book, had actual knowledge of the above facts,
 19 including notice of Mentor's failure to provide the required maintenance support, and Keysight's
 20 right to a fully paid-up license to the Software in light of Mentor's failure to timely cure the noted
 21 deficiencies under the Agreement, and in particular, subsection 2.1 as amended by Amendment
 22 No. 6.

23 **FIRST CAUSE OF ACTION**

24 **(Breach of Contract; Specific Performance)**

25 68. Keysight repeats and realleges the allegations of paragraphs 1 through 67, inclusive,
 26 incorporated by reference.

69. The Agreement is a valid and enforceable contract that exists between the parties, supported by good and adequate consideration.

70. Keysight has performed all conditions, covenants, promises and obligations required of it under the Agreement.

71. As set forth above, Mentor is in breach of the Agreement.

72. As an actual and legal cause of Mentor's breach, Keysight has suffered damages and irreparable harm.

73. As an actual and legal cause of Mentor's breach, Keysight is entitled to specific performance of the Agreement, including Mentor providing Keysight with the Software in source code form, and a corresponding fully-paid up, worldwide, perpetual license to use, copy and modify the Software source code, so as to permit Keysight to use, copy and modify the Software source code in order to remedy the Defects and enable Keysight to distribute to its end-user customers the Software in object code form, as well as enable Keysight to perform all other acts permitted under the Agreement.

PRAYER FOR RELIEF

WHEREFORE, Keysight prays for judgment in its favor and against Mentor as follows:

1. For an order and judgment decreeing that Mentor shall specifically perform its obligations and duties as set forth in Agreement, including delivering to Keysight the Software in source code form and pursuant to a fully-paid up, worldwide, perpetual license to use, copy and modify the Software source code, and to distribute object code versions of the Software or modifications to the Software for the purposes permitted under the Agreement:

2. For damages according to proof;

3. For permanent injunctive relief and specific performance according to proof;

4. For costs of suit herein; and

5. For such other relief as the Court may deem just and proper.

JURY DEMAND

Keysight hereby demands a jury trial on all issues so triable.

Dated: September 8, 2017

VINSON & ELKINS L.L.P.

By: /s/ Darryl M. Woo
Darryl M. Woo

Attorneys for Plaintiff
Keysight Technologies, Inc.